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SENATE

{ REPORT  
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## PROVIDING FOR THE ADMINISTRATION OF THE CENTRAL INTELLIGENCE AGENCY, ESTABLISHED PURSUANT TO SECTION 102, NATIONAL SECURITY ACT OF 1947

MAY 17 (legislative day, MAY 10), 1948.—Ordered to be printed

Mr. SALTONSTALL, from the Committee on Armed Services, submitted the following

## REPORT

[To accompany S. 2688]

The Committee on Armed Services, having had under consideration the Central Intelligence Agency Act of 1948, report the following bill (S. 2688) to provide for the administration of the Central Intelligence Agency, established pursuant to section 102, National Security Act of 1947, and for other purposes, and recommend that it do pass.

## PURPOSE OF THE BILL

The purpose of the bill is to grant to the Central Intelligence Agency the authorities necessary for its proper administration. The bill deals with procurement, travel, allowances and related expenses, general authorities, and methods of expenditures of appropriated funds. Further, it protects the confidential nature of the Agency's functions and makes provisions for the internal administration of the Agency. In almost all instances, the powers and authorities contained in the bill already exist for some other branch of the Government, and the bill merely extends similar authorities to the Central Intelligence Agency.

## COMMITTEE CONSIDERATION

Hearings on the matter were conducted in executive session because the confidential nature of the Agency's functions were deemed to be such as to require the discussions to be so held. The committee carefully considered all sections of the bill, and, after such consideration, is satisfied that all provisions of the proposal are justified and necessary to the efficient operation of the intelligence service of the United States.

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ADMINISTRATION OF CENTRAL INTELLIGENCE AGENCY

Section 7, containing appropriations language, is included in an effort to establish a point of reference to which the administrative and fiscal officers of the Agency and other appropriate officers of the Government may look to determine what expenditures are authorized in the course of supporting the activities of the Agency. The greater part of this section pertains to activities necessary to the normal administration of the Agency, but for which money cannot be expended without specific authorization. This section further provides authorization for the spending of a portion of the money made available to the Agency for confidential purposes where security would prohibit an audit. To achieve this, it is felt necessary to authorize specifically the expenditure of funds for confidential purposes to which the Director of Central Intelligence will certify, and his certification will be a full accounting for such expenditures.

As stated above, the provisions proposed in this legislation are based on experiences in the field of intelligence during the last 5 years. Because of this experience and the security aspects of intelligence generally, it was felt best to incorporate these administrative necessities in one bill.

The Central Intelligence Agency has been advised by the Bureau of the Budget that they have no objection to the submission of this bill to the Congress in its present form.

Sincerely yours,

R. H. HILLENKOETTER,  
Rear Admiral, United States Navy,  
Director of Central Intelligence.

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